



4004

ANNUAL REPORT

OF

Name: NIAGARA TELEPHONE COMPANY

Principal Office: 1133 MAIN ST
P.O. BOX 3
NIAGARA, WI 54151-0003
PO Box Zip Code: 54151-0003

For the Year Ended: DECEMBER 31, 2004

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
<http://psc.wi.gov>

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. The annual report due date is April 1 of the following year. (Example: The 2004 report is due April 1, 2005.) If that date falls on a weekend or holiday, the annual report is due the following business day.
2. **Electronic filing via e-mail is required, unless additional provisional confidential treatment is desired.** Go to the Public Service Commission of Wisconsin's Web Page at <http://psc.wi.gov>, and select the appropriate program for Incumbent Local Exchange Carriers (LECs). If additional confidential treatment is desired, see the Commission's Web Page for filing instructions using the Electronic Regulatory Filing (ERF) System.
3. LEC entities with no revenues for the report year are required to file a LEC annual report.
4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility in conformity with the Uniform System of Accounts prescribed by the Public Service Commission in docket 05-US-116. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
5. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used. However, please show the exact name of the respondent in full on the Identification and Ownership page.
6. Wherever information is requested in a "note," please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
7. Numeric items are limited to digits (0-9). Do not type commas when entering numbers. A minus sign "-" should be entered in the software program to indicate negative values. The program will convert the minus sign to parentheses if a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
8. Report all dollar amounts to the nearest thousand dollars. (Example: \$130,000 should be reported as \$130.)
9. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
10. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, the previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
11. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
12. The LEC annual report program incorporates provisional confidentiality capability for selected items. These items vary from year to year and are based on the Commission's decision regarding confidential items in the annual report.

GENERAL RULES FOR REPORTING

If additional provisional confidential treatment is desired, do not file the annual report electronically using the program's e-mail filing capabilities.

13. It is not necessary to manually or electronically "sign" the signature page. It is not necessary to file a hardcopy of the annual report with the Commission.

14. **Edit Check, Confidential Listing, Exported Annual Report, and Export Status Files;
Filing the Completed Report:**

Program edit checks, which are located under the Admin dropdown menu, should be run at the completion of data entry. Each edit problem lists pertinent schedule(s) as well as the nature of the problem (such as "does not equal"). Edit items should be reviewed and corrected; unresolved problems should be footnoted in the report, if necessary. This screen automatically saves the edit checks to an .edt file that may be viewed and edited (for purposes of adding necessary notations) using a word processing package such as WordPad.

The confidential listing, which is located under the Admin dropdown menu, should also be run at the completion of data entry. This will create a .clf file.

Select the annual report to export from the Main-Report Selection window. Click Admin, Export Data to PSC to start the export process. This will create an .mdb file, which will subsequently be encrypted to a file with an .sen extension. An export status file is also created (with a .txt extension). The export status report file may also be viewed in a word processing package such as WordPad. If you encounter any export errors, please contact the Commission for assistance.

The .edt, .clf, .sen, and .txt files will be zipped to a file with a .zip extension. An e-mail message will be created, addressed to pscrcs@psc.state.wi.us. The .zip file is automatically attached to the e-mail message. After the e-mail is created, it will automatically be sent to the Commission.

Once received and processed by the Commission, you will receive a response indicating that your annual report has been received and is being processed. You will be notified if there are any problems with the annual report filing.

15. **Name Changes:**

If a name change (e.g., the new name, the date of the change, and the affected entities with their respective four-digit Commission identification numbers) is identified in the report, documents from the State of Wisconsin Department of Financial Institutions (DFI) also must be submitted to the Commission:

A domestic corporation should send a copy of the stamped page from its Articles of Amendment as filed with DFI. A foreign corporation should send a copy of their Amended Certificate of Authority as issued by DFI.

These documents can be obtained by:

1. Calling DFI at (608) 261-7577;
2. Contacting DFI on the web at <http://www.wdfi.org>; or
3. By writing to DFI at P.O. Box 7846, Madison, WI 53707-7846.

A name change is not effective in the Commission's records until a separate notification letter is sent to the Commission including documentation to confirm registration of that change with the State of Wisconsin Department of Financial Institutions.

GENERAL RULES FOR REPORTING

16. Changes to the Annual Report Subsequent to Filing:

If making revisions to the report subsequent to an electronic filing (i.e., using the program's e-mail capabilities) with the Commission, resubmit the report via e-mail following the procedures set forth above in item number 14. New edit check, confidential listing, exported annual report, and export status files should be created as a result of the revisions. Revisions to an annual report previously filed on a manual basis (i.e., using the Commission's ERF system) also require a new complete manual filing.

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
CO	.....	Central Office
Depr	.....	Depreciation
Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
FOY	.....	First of Year
Info	.....	Information
ITC	.....	Investment Tax Credit
Misc	.....	Miscellaneous
Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
Prop	.....	Property
Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
Svcs	.....	Services
Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: NIAGARA TELEPHONE COMPANY
Utility Location: 1133 MAIN ST
P.O. BOX 3
NIAGARA, WI 54151-0003
P.O. BOX ZIP 54151-0003

Utility (or Parent/Holding Company) Web Site Address:
www.borderlandnet.net

When was utility organized?: 05/01/1941

Report any change in name and the effective date:

Telephone numbers for potential customers to contact company:

Business Customers: (715) 251 - 3116 Ext:

Residential Customers: (715) 251 - 3116 Ext:

Primary Utility Contact (located at utility address)

Name: MR SYDNEY R. PETERSON
Title: PRESIDENT

Office Address: 1133 MAIN STREET
P.O. BOX 3
NIAGARA, WI 54151-0003

Fax Number: (715) 251 - 1119
Telephone Number: (715) 251 - 3116
Email Address: nit1@net.net

Officer in charge of correspondence concerning this report

Name: MR SYDNEY R. PETERSON
Title: PRESIDENT

Office Address: 1133 MAIN STREET
P.O. BOX 3
NIAGARA, WI 54151-0003

Fax Number: (715) 251 - 1119
Telephone Number: (715) 251 - 3116
Email Address: nit1@net.net

Individual or firm, if other than utility employee, preparing this report

Name: MR. ROBERT D. WORTINGER, CPA
Title: PARTNER-IN-CHARGE
Firm: KIESLING ASSOCIATES, LLP
Office Address: 8517 EXCELSIOR DRIVE, SUITE 301
MADISON, WI 53717

Fax Number: (608) 664 - 9112
Telephone Number: (608) 664 - 9110
Email Address: rwortinger@kiesling.com

IDENTIFICATION AND OWNERSHIP

Person responsible for financial information contained in report

Name: MR LARRY WINTER
Title: TREASURER

Office Address: 104 WEST WALKER STREET
P.O. BOX 160
WITTENBERG, WI 54499

Fax Number: (715) 253 - 3497
Telephone Number: (715) 253 - 2111
Email Address: lwinter@netnet.net

Person responsible for statistical information contained in report

Name: LEE M. NORTON
Title: GENERAL MANAGER

Office Address: 1133 MAIN STREET
P.O. BOX 3
NIAGARA, WI 54151-0003

Fax Number: (715) 251 - 1119
Telephone Number: (715) 251 - 3116
Email Address: leen@borderlandnet.net

Contact person for regulatory inquiries and complaints

Name: LEE M. NORTON
Title: GENERAL MANAGER

Office Address: 1133 MAIN STREET
P.O. BOX 3
NIAGARA, WI 54151-0003

Fax Number: (715) 251 - 1119
Telephone Number: (715) 251 - 3116
Email Address: leen@borderlandnet.net

List names, addresses, and percent ownership interest held by persons owning 5 percent or more of outstanding voting securities or membership interests. If any stock (or interest) is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name: BEATE M. REUBER
Address: NONE
PO BOX 668
HECTOR, MN 55342

Percent Interest Held: 15
Beneficial Owner: NONE

IDENTIFICATION AND OWNERSHIP

List names, addresses, and percent ownership interest held by persons owning 5 percent or more of outstanding voting securities or membership interests. If any stock (or interest) is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name:	BRUCE C. REUBER
Address:	NONE PO BOX 668 HECTOR, MN 55342
Percent Interest Held:	15
Beneficial Owner:	NONE

Name:	NANCY L. PETERSON
Address:	1100 BRUNING STREET NIAGARA, WI 54151
Percent Interest Held:	8
Beneficial Owner:	NONE

Name:	SYDNEY R. PETERSON
Address:	1100 BRUNING STREET NIAGARA, WI 54151
Percent Interest Held:	43
Beneficial Owner:	NONE

List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

Company Name:	BORDERLAND COMMUNICATIONS, LLC
Form of Interest:	OWNED
Extent Of Interest:	100%

OFFICERS AND DIRECTORS**Name, Title/Occupation
and Business Address**

Name: ALLEN MAHNKE Title/Occupation: VICE-PRESIDENT-OPERATIONS Business Address (1): 1133 MAIN STREET Business Address (2): BOX 3 Business Address (3): City State, Zip: NIAGARA, WI 54151	1
Name: BEATE M. REUBER Title/Occupation: VICE-PRESIDENT/DIRECTOR Business Address (1): 130 BIRCH AVE WEST Business Address (2): BOX 668 Business Address (3): City State, Zip: HECTOR, MN 55342	2
Name: BRUCE C. REUBER Title/Occupation: VICE-PRESIDENT/DIRECTOR Business Address (1): 130 BIRCH AVE WEST Business Address (2): BOX 668 Business Address (3): City State, Zip: HECTOR, MN 55342	3
Name: JILL S. MONGOLD Title/Occupation: DIRECTOR Business Address (1): 7589 CREGGER LANE Business Address (2): Business Address (3): City State, Zip: MANASSAS, VA 20111	4
Name: LUCY M. LOPEZ Title/Occupation: SECRETARY/DIRECTOR Business Address (1): 1133 MAIN ST Business Address (2): BOX 3 Business Address (3): City State, Zip: NIAGARA, WI 54151	5
Name: NANCY L. PETERSON Title/Occupation: DIRECTOR Business Address (1): 1133 MAIN STREET Business Address (2): BOX 3 Business Address (3): City State, Zip: NIAGARA, WI 54151	6

OFFICERS AND DIRECTORS

Name, Title/Occupation and Business Address

Name: SYDNEY R. PETERSON

Title/Occupation: DIRECTOR/PRESIDENT

Business Address (1): 1133 MAIN STREET

Business Address (2): BOX 3

Business Address (3):

City State, Zip: NIAGARA, WI 54151

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INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
Operating Revenues			
Operating Revenues (5000-5300)	3,346	3,537	1
Total Operating Revenues	3,346	3,537	
Operating Expenses			
Plant Specific Operations Expenses (6110-6410)	702	592	2
Plant Nonspecific Operations Expense	1,089	1,146	3
Customer Operations Expense (6610-6620)	428	438	4
Corporate Operations Expense (6720-6790)	501	424	5
Other Operating Income and Expense (7100)	0	4	6
Operating Taxes (7200)	281	429	7
Total Operating Expenses	3,001	3,025	
Net Operating Income	345	512	
Other Income			
Nonoperating Income and Expense (7300)	2,181	1,280	8
Nonoperating Taxes (7400)	910	406	9
Interest and Related Items (7500)	81	91	10
Extraordinary Items (7600)	0	0	11
Nonregulated Net Income (7990)	12	3	12
Total Nonoperating Income	1,202	786	
Net Income	1,547	1,298	

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

The accounting policies of the Company conform to generally accepted accounting principles. Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Telephone operations reflect practices appropriate to the telephone industry. The accounting records of the Company are maintained in accordance with Uniform System of Accounts for Class A and B Telephone Companies prescribed by the Federal Communications Commission as modified by the Public Service Commission of Wisconsin (PSCW).

A. Property and Equipment

Telephone plant is capitalized at original cost, including the capitalized cost of salaries and wages, materials, certain payroll taxes, and employee benefits.

The Company provides for depreciation for financial reporting purposes on the straight-line method by the application of rates, based on the estimated service lives of the various classes of depreciable property.

Renewals and betterments of units of property are charged to telephone plant in service. When telephone plant is retired, its cost is removed from the asset account and charged against accumulated depreciation, together with removal cost less any salvage realized. No gains or losses are recognized in connection with routine retirements of depreciable property. Repairs and renewals of minor items of property are included in plant specific operations expense.

B. Income taxes

Income taxes are accounted for using a liability method and provide for the tax effects of transactions reported in the financial statements including both taxes currently due and deferred. Deferred taxes are adjusted to reflect deferred tax consequences at current enacted tax rates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities include the difference between carrying amounts of depreciable assets and partnership investment basis. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

C. Revenue Recognition

Revenues are recognized when earned regardless of the period in which they are billed.

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

Revenues relating to the provision of access services to customers are derived, in part, from tariffed access charges to toll service providers (interexchange carriers), and in part from sharing in interstate and intrastate pools. Interstate revenues are determined in accordance with cost separation procedures.

The Company is compensated for intrastate access under access charge procedures based on expense and plant investment levels, as determined by the Company and approved by the PSCW.

D. Cash Equivalents

All highly liquid investments purchased with a maturity of one year or less are considered cash equivalents.

E. Investments

Non-marketable equity investments, over which the Company has significant influence or a 20% ownership, are reflected on the equity method. Other nonmarketable equity investments are stated at cost.

-
2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

None

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3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

The mortgage to the United States of America, underlying the RUS notes, contains certain restrictions on the declaration or payment of cash dividends, redemption of capital stock, or investments in affiliated companies.

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY	Balance--FOY (000's) (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	1,634	1,041	1
TOTAL CASH AND EQUIVALENTS	1,634	1,041	
RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS			
Receivables (1170)*	441	320	2
Allowance for Doubtful Accounts (1171)*			3
TOTAL RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS	441	320	
SUPPLIES			
Inventories (1220)*	217	192	4
TOTAL SUPPLIES	217	192	
PREPAYMENTS			
Prepayments (1280)*	17	218	5
TOTAL PREPAYMENTS	17	218	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	42	21	6
TOTAL OTHER CURRENT ASSETS	42	21	
TOTAL CURRENT ASSETS	2,351	1,792	
NONCURRENT ASSETS			
INVESTMENTS			
Nonregulated Investments (1406)*	10	22	7 F
RTB Class B Stock (1402)*			8
Other Noncurrent Assets (1410)*	5,403	4,572	9
TOTAL INVESTMENTS	5,413	4,594	
DEFERRED CHARGES			
Deferred Maint., Retirements and Other Deferred Charges (1438)*			10
TOTAL DEFERRED CHARGES	0	0	
OTHER JURISDICTIONAL ASSETS-NET			
Other Jurisdictional Assets-Net (1500)*			11
TOTAL OTHER JURISDICTIONAL ASSETS-NET	0	0	
TOTAL NONCURRENT ASSETS	5,413	4,594	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	13,731	12,979	12 F
Less: Accumulated Depreciation (3100)*	10,310	9,529	13 F
Less: Accumulated Amortization-Tangible (3400)*			14
Less: Accumulated Amortization-Capitalized Leases (3410)			15
NET TELECOMMUNICATIONS PLANT IN SERVICE	3,421	3,450	
PROPERTY HELD FOR FUTURE USE			
Property Held for Future Telecommunications Use (2002)*			16
Less: Accumulated Depr.-Held for Future Telecom. Use (3200)*			17
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0	21	18

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (000's) (c)
PLANT		
NONOPERATING PLANT		
Less: Accumulated Depreciation-Nonoperating (3300)*	0	12 19
NET NONOPERATING PLANT	0	9
TPUC		
Telecommunications Plant Under Construction (2003)*	0	137 20
TOTAL TPUC	0	137
TELECOMMUNICATIONS PLANT ADJUSTMENT		
Telecommunications Plant Adjustment (2005)*		21
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0
GOODWILL		
Goodwill (2007)*		22
TOTAL GOODWILL	0	0
TOTAL PLANT	3,421	3,596
TOTAL ASSETS AND OTHER DEBITS	11,185	9,982

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (000's) (b)	Balance--FOY (000's) (c)	
CURRENT LIABILITIES			
Notes Payable (4020)*			1
Other Current Accounts and Notes Payable (4000)*	252	284	2
Customers' Deposits (4040)*	16	14	3
Income Taxes-Accrued (4070)*	274		4
Other Taxes-Accrued (4080)*			5
Net Current Deferred Operating Income Taxes (4100)*			6
Net Current Deferred Nonoperating Income Taxes (4110)*			7
Current Maturities-Long-Term Debt (4050)*	144	137	8
Current Maturities-Capital Leases (4060)*			9
Other Current Liabilities (4130)*	97	152	10
TOTAL CURRENT LIABILITIES	783	587	
LONG-TERM DEBT			
Long-Term Debt and Funded Debt (4200)*	1,394	1,538	11
TOTAL LONG-TERM DEBT	1,394	1,538	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Liabilities and Deferred Credits (4300)*	305	179	12
Unamortized Operating Investment Tax Credits-Net (4320)*			13
Unamortized Nonoperating Investment Tax Credits-Net (4330)*			14
Net Noncurrent Deferred Operating Income Taxes (4340)*	(91)	111	15
Net Deferred Tax Liability Adjustments (4341)*			16
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	171		17
Deferred Tax Regulatory Adjustments-Net (4361)*	0	1	18
Other Jurisdictional Liabilities and Deferred Credits-Net (4370)*	160	163	19
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	545	454	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	348	348	20
Additional Paid-in Capital (4520)*			21
Treasury Stock (4530)*			22
Other Capital (4540)*			23
Retained Earnings (4550)*	8,115	7,055	24
TOTAL STOCKHOLDERS' EQUITY	8,463	7,403	
TOTAL LIABILITIES AND OTHER CREDITS	11,185	9,982	

IMPORTANT CHANGES DURING THE YEAR

1. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates. Provide details and dollar amounts for increases and decreases, respectively, by revenue category noted on Operating Revenues schedule.

---CONF---

-
2. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

None

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
Borderland Communications, LLC	BDLD	1
Computer Systems Limited Liability Corporation	CSLLC	2
Interstate Telcom Consulting Inc.	ITCI	3
Metro Southwest PCS, LLP	METRO SW	4
RSA #3	RSA #3	5
RSA #4	RSA #4	6
Wittenberg Telephone Company	WITT	7

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25 (,000) or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000 (,000), individual contracts or arrangements not exceeding \$100 (,000) may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	4160ATF103	4160AT000100	4160AT000101	None	
Name of Affiliate	BDLD	CSLLC	ITCI	METRO SW	1
Designate whether billed to or from:	TO	FROM	FROM	TO	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	M	M	T	3
Total Dollar Activity (000's)	---CONF---	---CONF---	---CONF---	---CONF---	4
Percent of affiliate's business billed to all affiliated regulated utilities	---CONF---	---CONF---	---CONF---	---CONF---	5
If cost based, rate of return on equity or markup incorporated in billings	---CONF---	---CONF---	---CONF---	---CONF---	6
Footnotes					

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	None	None	None		
Name of Affiliate	RSA #3	RSA #4	WITT		1
Designate whether billed to or from:	TO	TO	FROM		2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	T	T	C		3
Total Dollar Activity (000's)	---CONF---	---CONF---	---CONF---		4
Percent of affiliate's business billed to all affiliated regulated utilities	---CONF---	---CONF---	---CONF---		5
If cost based, rate of return on equity or markup incorporated in billings	---CONF---	---CONF---	---CONF---		6
Footnotes		E			

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. (See Balance Sheet schedules for respective account titles other than account 4010, Accounts Payable.) Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "Other" for a particular account.

Name of Affiliate (a)	Account Number (b)	Balance EOY (000's) (c)	
Borderland Communications, LLC	1170	---CONF---	1
Borderland Communications, LLC	1410	---CONF---	2
Computer Systems Limited Liability Corporation	1410	---CONF---	3
Borderland Communications, LLC	4010	---CONF---	4
Computer Systems Limited Liability Corporation	4010	---CONF---	5
Interstate Telcom Consulting Inc.	4010	---CONF---	6
Wittenberg Telephone Company	4010	---CONF---	7

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
GENERAL SUPPORT ASSETS				
Land	2111	148		1
Motor Vehicles	2112	367	64	2
Aircraft	2113	0		3
Tools and Other Work Equipment	2114	203	10	4
Buildings	2121	857	195	5 A
Furniture	2122	15		6
Office Equipment	2123	10		7
General Purpose Computers	2124	106	9	8
TOTAL GENERAL SUPPORT ASSETS:		1,706	278	
CENTRAL OFFICE ASSETS				
Non-Digital Switching	2211	0		9
Digital Electronic Switching	2212	2,782	87	10 A
Operator Systems	2220	0		11
Radio Systems	2231	0		12
Circuit Equipment	2232	1,607	69	13 A
TOTAL CENTRAL OFFICE ASSETS:		4,389	156	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		14
Customer Premises Wiring	2321	0		15
Large Private Branch Exchanges	2341	0		16
Public Telephone Terminal Equipment	2351	0		17
Other Terminal Equipment	2362	0		18
TOTAL INFORMATION ORIG/TERM ASSETS:		0	0	
CABLE & WIRE FACILITIES ASSETS				
Poles	2411	92	1	19 A
Aerial Cable	2421	341	4	20
Underground Cable	2422	555	98	21 A
Buried Cable	2423	4,852	217	22 A
Submarine and Deep Sea Cable	2424	0	0	23
Intrabuilding Network Cable	2426	0	0	24
Aerial Wire	2431	5		25
Conduit Systems	2441	1,039	67	26 A
TOTAL CABLE & WIRE FACILITIES ASSETS:		6,884	387	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		27
Leasehold Improvements	2682	0		28
Intangibles	2690	0		29
TOTAL AMORTIZABLE ASSETS:		0	0	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
2111			148	1
2112	54		377	2
2113			0	3
2114			213	4
2121	21	21	1,052	5 A
2122			15	6
2123			10	7
2124			115	8
	75	21	1,930	
2211			0	9
2212	0	(21)	2,848	10 A
2220			0	11
2231			0	12
2232	0	21	1,697	13 A
	0	0	4,545	
2311			0	14
2321			0	15
2341			0	16
2351			0	17
2362			0	18
	0	0	0	
2411	1	(2)	90	19 A
2421	14	0	331	20
2422	0	(2)	651	21 A
2423	0	2	5,071	22 A
2424	0	0	0	23
2426	0	0	0	24
2431			5	25
2441		2	1,108	26 A
	15	0	7,256	
2681			0	27
2682			0	28
2690			0	29
	0	0	0	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
TOTAL TELECOM. PLANT IN SERVICE	2001	12,979	821	
Less: Allocation to Nonregulated Activity - EOY	2001			30
NET REG TOTAL TELECOM. PLANT IN SERVICE - EOY 2001				
Explain all amounts shown in column (g).				

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
2001	90	21	13,731	
2001				30
2001			13,731	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
Digital Electronic Switching - Circuit	2212.1	410	55	1 A
Digital Electronic Switching - Packet	2212.2	2,372	32	2 A
Circuit Equipment - Electronic	2232.1	1,607	69	3 A
Circuit Equipment- Optical	2232.2	0		4
Aerial Cable - Nonmetallic	2421.1	6	0	5
Aerial Cable - Metallic	2421.2	335	4	6
Underground Cable - Nonmetallic	2422.1	304	97	7 A
Underground Cable - Metallic	2422.2	251	1	8
Buried Cable - Nonmetallic	2423.1	831	3	9 A
Buried Cable - Metallic	2423.2	4,021	214	10
Sub. and Deep Sea Cable - Nonmetallic	2424.1	0		11
Submarine and Deep Sea Cable - Metallic	2424.2	0		12
Intrabuilding Cable - Nonmetallic	2426.1	0		13
Intrabuilding Cable - Metallic	2426.2	0		14

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)

Subaccount (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
2212.1		17	482	1 A
2212.2		(38)	2,366	2 A
2232.1		21	1,697	3 A
2232.2			0	4
2421.1			6	5
2421.2	14		325	6
2422.1		(2)	399	7 A
2422.2			252	8
2423.1		2	836	9 A
2423.2			4,235	10
2424.1			0	11
2424.2			0	12
2426.1			0	13
2426.2			0	14

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (000's) (c)	Depr Rate (d)	Annual Accrual (000's) (e)	Additional Accrual (000's) (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	239	10.7300	40		1
Aircraft	2113	0				2
Tools and Other Work Equipment	2114	124	10.0000	21		3
Buildings	2121	492	4.0000	39		4 A
Furniture	2122	13	10.0000	2		5
Office Equipment	2123	10	18.2000			6
General Purpose Computers	2124	106	25.0000	7		7
TOTAL GENERAL SUPPORT ASSETS		984		109	0	
CENTRAL OFFICE ASSETS						
Non-Digital Switching	2211	0				8
Digital Electronic Switching	2212	2,661	3.2400	76	0	9
Operator Systems	2220	0				10
Radio Systems	2231	0				11
Circuit Equipment	2232	1,416	13.7400	157	0	12
TOTAL CENTRAL OFFICE ASSETS		4,077		233	0	
INFORMATION ORIGINATION/TERMINATION ASSETS						
Station Apparatus	2311	0				13
Customer Premises Wiring	2321	0				14
Large Private Branch Exchanges	2341	0				15
Public Telephone Terminal Equipment	2351	0				16
Other Terminal Equipment	2362	0				17
TOTAL INFORMATION ORIG/TERM ASSETS		0		0	0	
CABLE & WIRE FACILITIES ASSETS						
Poles	2411	67	7.4000	6		18
Aerial Cable	2421	315	7.4000	16	0	19
Underground Cable	2422	320	8.5000	44	0	20 A
Buried Cable	2423	3,359	8.5000	417	0	21 A
Submarine and Deep Sea Cable	2424	0		0	0	22
Intrabuilding Network Cable	2426	0		0	0	23
Aerial Wire	2431	5	20.0000			24
Conduit Systems	2441	402	4.5000	48		25
TOTAL CABLE & WIRE FACILITIES ASSETS		4,468		531	0	
Total Accumulated Depreciation	3100	9,529		873	0	
Less: Nonreg Accumulated Depreciation	3100					26
Net Reg Total Accumulated Depreciation	3100			873	0	
Columns e, f and I						

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (000's) (h)	Cost of Removal (000's) (i)	Salvage (000's) (j)	Other (000's) (k)	Balance EOY (000's) (l)	
2112	54		2		227	1
2113	0				0	2
2114	0				145	3
2121	21	14		12	508	4 A
2122	0				15	5
2123	0				10	6
2124	0				113	7
	75	14	2	12	1,018	
2211	0				0	8
2212	0	0	0	0	2,737	9
2220	0				0	10
2231	0				0	11
2232	0	0	0	0	1,573	12
	0	0	0	0	4,310	
2311	0				0	13
2321	0				0	14
2341	0				0	15
2351	0				0	16
2362	0				0	17
	0	0	0	0	0	
2411	1	0			72	18
2421	14	5	3	0	315	19
2422	0	0	0	(2)	362	20 A
2423	0	0	0	2	3,778	21 A
2424	0	0	0	0	0	22
2426	0	0	0	0	0	23
2431	0				5	24
2441	0				450	25
	15	5	3	0	4,982	
3100	90	19	5	12	10,310	
3100						26
3100					10,310	

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount or subsidiary record. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (000's) (c)	Depr Rate (d)	Annual Accrual (000's) (e)	Additional Accrual (000's) (f)
Digital Electronic Switching - Circuit	2212.1	410	25.0	6	1 A
Digital Electronic Switching - Packet	2212.2	2,251	3.37	70	2 A
Circuit Equipment - Electronic	2232.1	1,416	13.74	157	3
Circuit Equipment- Optical	2232.2	0			4
Aerial Cable - Nonmetallic	2421.1	4	7.4		5
Aerial Cable - Metallic	2421.2	311	7.4	16	6
Underground Cable - Nonmetallic	2422.1	72	7.4	20	7
Underground Cable - Metallic	2422.2	248	8.5	24	8 A
Buried Cable - Nonmetallic	2423.1	331	8.5	71	9 A
Buried Cable - Metallic	2423.2	3,028	8.5	346	10
Sub. and Deep Sea Cable - Nonmetallic	2424.1	0			11
Submarine and Deep Sea Cable - Metallic	2424.2	0			12
Intrabuilding Cable - Nonmetallic	2426.1	0			13
Intrabuilding Cable - Metallic	2426.2	0			14

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (000's) (h)	Cost of Removal (000's) (i)	Salvage (000's) (j)	Other (000's) (k)	Balance EOY (000's) (l)	
2212.1	0			17	433	1 A
2212.2	0			(17)	2,304	2 A
2232.1	0				1,573	3
2232.2	0				0	4
2421.1	0				4	5
2421.2	14	5	3		311	6
2422.1	0				92	7
2422.2	0			(2)	270	8 A
2423.1	0			2	404	9 A
2423.2	0				3,374	10
2424.1	0				0	11
2424.2	0				0	12
2426.1	0				0	13
2426.2	0				0	14

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
Balance-First of Year	7,055	6,181	1 c
Changes:			
Balance Transferred from Income	1,547	1,298	2
Dividends Declared:			
Common	487	313	3
Preferred		0	4
Total Dividends Declared	487	313	
Miscellaneous Debits to Retained Earnings		111	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	8,115	7,055	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	909	917	1
Basic Area Revenue (5001)			2
Private Line Revenue (5040)			3
Other Basic Area Revenue (5060)			4
TOTAL LOCAL NETWORK SERVICES REVENUES	909	917	
INTERSTATE NETWORK ACCESS SERVICES REV.			
End User Revenue (5081)*	399	361	5
Switched Access Revenue (5082)*	992	1,116	6
Special Access Revenue (5083)*	139	147	7
TOTAL INTERSTATE NETWORK ACCESS SERVICES REV.	1,530	1,624	
INTRASTATE NETWORK ACCESS SERVICES REV.			
End User Revenue (5081)*			8
Switched Access Revenue (5082)*	557	612	9
Special Access Revenue (5083)*	19	19	10
TOTAL INTRASTATE NETWORK ACCESS SERVICES REV.	576	631	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	15	24	11
TOTAL LONG DISTANCE NETWORK SERVICES MESSAGE REV.	15	24	
MISCELLANEOUS & NONREGULATED REVENUES			
Miscellaneous Revenue (5200)*	---CONF---	---CONF---	12
Directory Revenue (5230)	---CONF---	---CONF---	13
Nonregulated Operating Revenue (5280)*	---CONF---	---CONF---	14
TOTAL MISCELLANEOUS & NONREGULATED REVENUES	307	321	
GROSS OPERATING REVENUES	3,337	3,517	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	(9)	(20)	15 D
TOTAL UNCOLLECTIBLE REVENUES	(9)	(20)	
TOTAL OPERATING REVENUES	3,346	3,537	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (000's) (b)	Total Last Year (000's) (c)	
PLANT SPECIFIC OPERATIONS EXPENSE			
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	702	592	1
LESS: NONREGULATED			2
NET REGULATED PLANT SPECIFIC OPERATIONS EXPENSE	702	592	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Other Property, Plant and Equip. Exp. (6510)		0	3
Network Operations Expense (6530)	162	163	4
Access Expense (6540)	58	50	5
Depreciat. Exp.--Tele. Plant in Service (6561)	869	933	6
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)			7
Amortization Expense--Tangible (6563)			8
Amortization Expense--Intangible (6564)			9
Amortization Expense--Other (6565)			10
Depreciation and Amortization Expense (6560)	869	933	11
TOTAL PLANT NONSPECIFIC OPERATIONS EXPENSE	1,089	1,146	12
LESS: NONREGULATED			13
NET REGULATED PLANT NONSPECIFIC OPERATIONS EXPENSE	1,089	1,146	
CUSTOMER OPERATIONS EXPENSE			
Marketing (6610)	2	8	14
Services (6620)	426	430	15
TOTAL CUSTOMER OPERATIONS EXPENSE	428	438	16
LESS: NONREGULATED		0	17
NET REGULATED CUSTOMER OPERATIONS EXPENSE	428	438	
CORPORATE OPERATIONS EXPENSE			
TOTAL CORPORATE OPERATIONS EXPENSE	501	424	18
LESS: NONREGULATED		0	19
NET REGULATED CORPORATE OPERATIONS EXPENSE	501	424	
TOTAL EXPENSES	2,720	2,600	
LESS: NONREGULATED	0	0	
NET REGULATED EXPENSES	2,720	2,600	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (000's) (b)	
Gross Operating Revenues	3,337	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year	9	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): None	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	3,328	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (000's) (b)	
Total Basic Local Service Revenue (5000)	909	1
Plus: Total Intrastate Access Revenues (5081-5083)	576	2
Plus: Total Long Distance Network Services Revenue	15	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues	---CONF---	5
Plus (or Less) Other (please specify): None	---CONF---	6
Assessable Revenues for Universal Service Fund Assessment Purposes	---CONF---	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
TOTAL OTHER OPERATING INCOME AND EXPENSE (7100)	0	4	1
LESS: NONREGULATED		0	2
NET REGULATED OTHER OPERATING INCOME AND EXPENSE (7100)	0	4	
TOTAL OPERATING TAXES (7200)	281	429	3
LESS: NONREGULATED			4
NET REGULATED OPERATING TAXES (7200)	281	429	
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	2,181	1,280	5
LESS: NONREGULATED		0	6
NET REGULATED NONOPERATING INCOME AND EXPENSE (7300)	2,181	1,280	
TOTAL NONOPERATING TAXES (7400)	910	406	7
LESS: NONREGULATED		0	8
NET REGULATED NONOPERATING TAXES (7400)	910	406	
TOTAL INTEREST AND RELATED ITEMS (7500)	81	91	9
LESS: NONREGULATED		0	10
NET REGULATED INTEREST AND RELATED ITEMS (7500)	81	91	
TOTAL EXTRAORDINARY ITEMS (7600)		0	11
LESS: NONREGULATED		0	12
NET REGULATED EXTRAORDINARY ITEMS (7600)	0	0	
TOTAL NONREGULATED NET INCOME (7990)	12	3	13
TOTAL OTHER INCOME ACCOUNTS	921	361	
TOTAL NONREGULATED	12	3	
TOTAL NET REGULATED OTHER INCOME ACCOUNTS	909	358	

NONREGULATED ACTIVITIES

List the type of nonregulated activities that the company is involved in.

Nonregulated Activity (a)	
Payphones	1
---CONF---	2
Selling and leasing of telephone equipment	3

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Extended Community Calling	61	394	1
Other Local-Undefined	653	2,305	2
Total Local	714	2,699	
TOLL			
Toll	221	1,927	3
Total Toll	221	1,927	
Total Local & Toll	935	4,626	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A & B -- Orig.	0	0	0	0	1
Feature Group A & B -- Terr	0	0	0	0	2
Feature Group C -- Orig.	0	0	0	0	3
Feature Group C -- Term.	0	0	0	0	4
Feature Group D -- Orig.	4,391	2,930	105	1,906	5
Feature Group D -- Term.	7,172	4,556	94	1,971	6

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	82	1
Route miles of plant - microwave		2

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	4	8	1
56/64 kbps (DS0)	9	0	2 B
1.54 Mbps (DS-1)	26	0	3 B
45 Mbps (DS-3)	0	0	4 B
SONET OC-1 (51.84 Mbps)	0	0	5 B
SONET OC-3 (155.52 Mbps)	0	0	6 B
SONET OC-12 (622.08 Mbps)	0	0	7 B
SONET OC-48 (2.488 Gbps)	0	0	8 B
SONET OC-192 (9.953 Gbps)	0	0	9 B
SONET OC-768 (39.812 Gbps)	0	0	10 B

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	676	661	3
PBX Trunks/Centrex & Key System Trunks	252	263	4
Centrex Lines	27	27	5
FX-Out (Switched)			6
Pay Telephone	35	35	7
Other			8
Total Business Lines	990	986	9
Residential (Incl. Emp. Concess.)			
1 Party	3,478	3,441	10
FX-Out (Switched)			11
Other	14	15	12
Total Residential Lines	3,492	3,456	13
Total Bus & Res Lines	4,482	4,442	14
Company Total Lines Used	31	39	15
Total Lines Used	4,513	4,481	16
Miscellaneous			
WATS Lines - OutWATS			17
WATS Lines - 800 Service			18
FX-In-intraLATA			19
Special Access-intraLATA (expressed in equiv. access lines)	8	8	20
Special Access-interLATA (expressed in equiv. access lines)	643	637	21
Feature Group C Trunks			22
Feature Group D Trunks	2,068	1,816	23
TSPS - Trunks			24
EAS and ECC - Trunks	210	228	25
Cellular Trunks (Pub. Sw. Net.)	24	24	26
Customers			
Number of Lifeline customers at FOY (January 1, 2004) and EOY (December 31, 2004):	198	206	27
Number of Linkup customers connected during FOY (Calendar year 2003) and EOY (Calendar year 2004):	0	0	28
Other			
Total Company Square Miles	390	390	29
Total Company Route Miles	605	616	30
Footnotes			31

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0250	1880	3830	5040	1
Business					2
1 Party	---CONF---	---CONF---	---CONF---	---CONF---	3
PBX Trunks/Centrex & Key System Trunks	---CONF---	---CONF---	---CONF---	---CONF---	4
Centrex Lines	---CONF---	---CONF---	---CONF---	---CONF---	5
FX-Out (Switched)	---CONF---	---CONF---	---CONF---	---CONF---	6
Pay Telephone	---CONF---	---CONF---	---CONF---	---CONF---	7
Other	---CONF---	---CONF---	---CONF---	---CONF---	8
Total Business Lines	---CONF---	---CONF---	---CONF---	---CONF---	9
Residential (Incl. Emp. Concess.)					10
1 Party	---CONF---	---CONF---	---CONF---	---CONF---	11
FX-Out (Switched)	---CONF---	---CONF---	---CONF---	---CONF---	12
Other	---CONF---	---CONF---	---CONF---	---CONF---	13
Total Residential Lines	---CONF---	---CONF---	---CONF---	---CONF---	14
Total Bus & Res Lines	---CONF---	---CONF---	---CONF---	---CONF---	15
Company Total Lines Used	---CONF---	---CONF---	---CONF---	---CONF---	16
Total Lines Used	---CONF---	---CONF---	---CONF---	---CONF---	17
Miscellaneous					18
WATS Lines - OutWATS	---CONF---	---CONF---	---CONF---	---CONF---	19
WATS Lines - 800 Service	---CONF---	---CONF---	---CONF---	---CONF---	20
FX-In-intraLATA	---CONF---	---CONF---	---CONF---	---CONF---	21
Special Access-intraLATA (equiv. access lines)	---CONF---	---CONF---	---CONF---	---CONF---	22 23
Special Access-interLATA (equiv. access lines)	---CONF---	---CONF---	---CONF---	---CONF---	24 25
Feature Group C Trunks	---CONF---	---CONF---	---CONF---	---CONF---	26
Feature Group D Trunks	---CONF---	---CONF---	---CONF---	---CONF---	27
TSPS - Trunks	---CONF---	---CONF---	---CONF---	---CONF---	28
EAS and ECC - Trunks	---CONF---	---CONF---	---CONF---	---CONF---	29
Cellular Trunks (Pub. Sw. Net.)	---CONF---	---CONF---	---CONF---	---CONF---	30
Other					31
Exchange Square Miles	---CONF---	---CONF---	---CONF---	---CONF---	32
Exchange Route Miles	---CONF---	---CONF---	---CONF---	---CONF---	33
Footnotes					34

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Advanced Fiber Communication	AFC	1
Alcatel	AL	2
ATTC	ATT	3
Digital Loop Carrier	DLC	4
GTE	GTE	5
ITT	ITT	6
Lucent	ATT/LUC	7
Northern Telecom	NTI	8
Siemens	SI	9
Stromberg-Carlson	SC	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electronic--Digital	D	1
Electronic--Video	V	2
IP-Packet	P	3

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	AURORA	FLORENCE	NIAGARA	SPREAD EAGLE	1
PSCW Exchange ID	0250	1880	3830	5040	2
Central Office Name	AURORA	FLORENCE	NIAGARA	SPREAD EAGLE	3
PSCW Central Office ID	1	1	1	1	4
Central Office CLLI Code	AURRWIXACGO	FLORWIXADSO	NIGRWIXADSO	SPEGWIXACGO	5
Manufacturer of COE (Page 54)	SC	SC	SC	SC	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote, (D)igital Loop Carrier	R	R	H	S	8
Remote Host PSCW Exchange ID	3830	3830			9
Remote Host Central Office CLLI Code	AURRWIXARSO	FLRNWIXARSO			10
COE Generic Software Release No.	23	23	23	23	11
SS7?	Yes	Yes	Yes	Yes	12
9-1-1?	Yes	Yes	Yes	Yes	13
Access Lines - In Use	---CONF---	---CONF---	---CONF---	---CONF---	14
Trunks - In Use	---CONF---	---CONF---	---CONF---	---CONF---	15
ISDN Available?	No	No	Yes	No	16
ISDN Lines - In Use (BRI)	---CONF---	---CONF---	---CONF---	---CONF---	17
- In Use (PRI)	---CONF---	---CONF---	---CONF---	---CONF---	18
DSL Service Available?	Yes	Yes	Yes	Yes	19
- In Use (# lines)	---CONF---	---CONF---	---CONF---	---CONF---	20
End User VoIP Available?	No	No	No	No	21
Digital Service Available: DS-1 - In Use	---CONF---	---CONF---	---CONF---	---CONF---	22
DS-3 - In Use	---CONF---	---CONF---	---CONF---	---CONF---	23
OC-3 - In Use	---CONF---	---CONF---	---CONF---	---CONF---	24
Advanced Data Service Available:					25
Packet Switching?	No	No	No	No	26
Frame Relay?	No	No	No	No	27
ATM (Asynchronous Trans. Mode)?	No	No	No	No	28
Fiber Transmission Facilities:					29
No. of fiber strands entering C.O.	---CONF---	---CONF---	---CONF---	---CONF---	30
No. of fiber strands working (LIT) in C.O.	---CONF---	---CONF---	---CONF---	---CONF---	31
No. of fiber strands for interoffice use	---CONF---	---CONF---	---CONF---	---CONF---	32
Miles of fiber sheath in wire center	---CONF---	---CONF---	---CONF---	---CONF---	33
Access Tandem Serving this C.O.:					34
- C.O. Name	NIAGARA	NIAGARA	NIAGARA	NIAGARA	35
- PSCW C.O. CLLI Code	3830-01	3830-01	3830-01	3830-01	36
Does this C.O. do access tandem switching?	No	No	Yes	No	37
Footnotes					38

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES**General Footnote****Accountants' Compilation Report**

To the Board of Directors
Niagara Telephone Company
Wittenberg, Wisconsin

We have compiled the balance sheets of Niagara Telephone Company as of December 31, 2004 and 2003, and the related statements of income and retained earnings for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form, except for pages 46 through 55 and 58.

Our compilation was limited to presenting in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements (including related disclosures) and the supplementary information are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

The supplementary information contained on pages 46 through 55 and 58 of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

Kiesling Associates LLP
Madison, Wisconsin
March 29, 2005

Schedule Footnotes**Important Changes During the Year Footnote. Page 13**

None

Accumulated Depreciation Class A & B Footnote. Page 26

None

Schedule Line Footnotes

- A)** CPR Adjustment
- B)** The reported amount of zero is correct.
- C)** Miscellaneous debit in prior year relates to a prior period adjustment to correct an error in calculating 2003 income tax expense.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- D)** 2003 was high due to partial recovery from carriers declaring bankruptcy in 2002.
- E)** They are in the process of filing an affiliated interest agreement.
- F)** Reclassified prior year to reflect changes in nonregulated investment reporting.

Communities Served with Basic Local Service

County Name (a)	Municipality Name (b)	Municipality Type (c)	
Florence	AURORA	Town	1
Florence	COMMONWEALTH	Town	2
Florence	FENCE	Town	3
Florence	FERN	Town	4
Florence	FLORENCE	Town	5
Florence	HOMESTEAD	Town	6
Marinette	NIAGARA	City	7
Marinette	NIAGARA	Town	8
Florence	SPREAD EAGLE	Unincorporated	9